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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Russian President Vladimir Putin (U)

PARTICIPANTS: The President
Colin Powell, Secretary of State
Condoleezza Rice, Assistant to the President
for National Security Affairs
Peter Afanassenko, Interpreter

Vladimir Putin, President
Igor Ivanov, Foreign Minister
Vladimir Rushaylo, National Security Advisor
Interpreter

DATE, TIME: October 21, 2001, 6:15 - 7:30 p.m.
AND PLACE: Shanghai, China

The President: Let's talk philosophy at dinner. Now, I have some specific issues. ~~TS~~

President Putin: Congratulations on how you handled this and on how you spoke. Fabulous! We have been talking about terrorism and about how to conquer it. I want to congratulate you for what you have been doing. No one knows better than I do what feelings you have experienced. We have had the same tragedies ourselves. We had the apartment explosions, remember? I felt a closeness. You have found the exact words and conveyed them very well. ~~TS~~

I want to talk about the essence of an ongoing problem. Everyone is asking: What is the reason for this? Terrorism and

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terror are only a weapon that someone is using. Like a gun, it has been used throughout history for different purposes. We are witnessing this again now, as in past times, nothing new today. I have thought a lot about this, and some thoughts have come to my mind. It was not by chance that I said that seven out of ten of the richest people in the world are in the Middle East. The problem isn't with them. The problem is that there is a contradiction between a new, young, aggressive financial Islamic capital and the old one. A moment came when the new generation began to see the old as its competitor. (S)

From the time bin Laden became your partner, he felt himself your competitor. His desire to move to Central Asia or elsewhere was his desire to muscle in and subjugate all others to his will. In reality, it is a financial issue. Religion is secondary. The real goal is to have a place in the center of world finances, a place that is already occupied. They want to push away representatives of Jewish capital or, if not, they will try to destroy the center and shake it up and, ultimately in that way, to take its place. The reason for the terrorism is not the Middle East or poverty. They use poverty and they use unresolved conflicts. They are using other problems. These problems are not the real reasons for terrorism. They are using the people of Afghanistan in the same way. (S)

I raised this not just to support you, but to say that we all have fights in the same world. We have the same problem in the Caucasus. I said that this could not be done without victims. That is what I had in mind when I spoke in Berlin. I could not be frank in Berlin, but here I can tell you openly. These are real challenges. The threats have become global; global forces have shifted. They will require a reshifting of forces. (S)

Thank you for the signals you have sent toward Russia. But we felt that the ship began moving only after you gave orders several times to get it moving. The bureaucracy is so unwieldy. There are questions that are resolvable if we wish it. Regrettably, Russia is in some ways still viewed as an enemy to the United States. But there is also cooperation. The intelligence services of our countries have been very involved together. We've given you a lot of information. I gave instructions: smashing the Taliban is in our interests, so give them everything we have. What is the point of holding anything back? Sometime after that, your experts said that provisions of American law prohibited giving Russia certain information. But Russian intelligence could do a much better job with it. (S)

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The President: That is an excuse. We must stop this. (S)

President Putin: They say there is a law. (S)

Secretary Powell: DIA may still have some problems. (S)

The President: The ice from the Cold War is still thawing. (S)

President Putin: In Moscow, I told Condoleezza that we would remove our base from Cuba. I did that for many reasons; it could have remained for a long time. I don't want to horse-trade or nickel and dime this thing, or argue about who gets what. So let me raise the issue of the Jackson-Vanik Amendment. It was passed in 1974 as a response to problems with Jewish emigration. I don't want to waste time in light of the new situation. Let's take China. They are our friends too. Is the United States tied closer to China than to Russia? The point isn't even that we're losing economic advantage, but should we think in terms of Russia and the United States as competing or conflicting? (S)

The President: I agree completely. We are trying to examine what can be done. If I could, I would say that Jackson-Vanik no longer exists. It is part of a bigger picture. We need to get rid of all the vestiges of the Cold War. (S)

President Putin: I understand that this is a Congressional issue, but perhaps you can take the initiative. (S)

The President: We can do a big agreement that encompasses a lot of things: Jackson-Vanik, help on debt restructuring, the WTO, continuing our economic dialogue. (S)

President Putin: Secretaries O'Neill and Evans, and Ambassador Zoellick have been to Moscow. Thank you for their work; this has been very positive. (S)

The President: I told them that we could totally remake our relationship. We need to think about a comprehensive framework. (S)

President Putin: They are very cooperative. (S)

The President: Here is my vision: I firmly believe that you and I can refashion the distrustful relationship into one that reflects the reality that you have just discussed. We have got to think differently about our relations. We can make a mark in

history. We should achieve arrangements on offenses, defenses, on proliferation, and on our economic relations, and the rest of the world will follow. We are not a threat to you, and you are not a threat to us. I have told countless people about your call on September 11. (S)

Time is of the essence for me. One issue is defenses. My intention is to work hard to see if we can reach agreement on defensive systems that you can live with. We have choices. I want an agreement, and not go alone. But I could go alone, and not make it a big deal. Still, I don't want to make a decision about this until we create an agreement. I want a transparent relationship. We will deploy systems that won't effect your position. This will be transparent, a sharing of information. (S)

I owe you an answer on offensive weapons. We will reduce our offensive weapons to a level that makes you comfortable. I still have a little work to do with the military because of September 11. I haven't sat down with the generals, but we will do so next week. We will make it clear to the world that we do not want nuclear superiority. Nuclear weapons are obsolete for dealing with new threats. But if terrorists had weapons of mass destruction, that would be a threat. Of course we need a balance, but at much lower levels. START I verification can stay in place. (S)

President Putin: Tough issue in your letter, we can wait. (S)

The President: The number will not be one in which you can do a defense, so that you can still overwhelm us offensively. (S)

President Putin: I want to be extremely frank. I will say so publicly that we have not achieved an accord today, maybe in Washington or later. (S)

The President: This is an opportunity. The ABM Treaty was Nixon and Brezhnev; I want a Bush-Putin agreement. I know the Europeans are nervous. This is your chance to lead the Europeans. This is a historic moment. I will give you a number soon. I want an opportunity to get a new agreement. The press will ask whether I told you a specific date for withdrawal from the ABM Treaty. I will say that the ABM Treaty is out of date and that we need to move sooner rather than later. (S)

On counterterrorism, I can't thank you enough. If you are providing information and not receiving, I need to know. My intention is not to play a game. (S)

I appreciate your statement about Chechnya and about contacts with moderate Chechens. There is an important distinction to be made about sensitivity to minority rights. It seems to me that you ought to give moderates a chance to get rid of groups like al-Qaida. I told Shevardnadze that he has a problem with Russia and that Russia needs him to get rid of terrorists. (S)

On counterproliferation, we've talked about Iran. These are terrorists, and Iran is involved one way or another. Hezbollah is involved with al-Qaida and there have been frank discussions between these two (President indicates Secretary Powell and Minister Ivanov). I think that's positive. We need to work on this. (S)

On Jackson-Vanik, Congress is afraid of the Jewish community and Jackson-Vanik is symbolic. (S)

President Putin: I'll do anything at all except one: if they need me to have a circumcision, that I can't do! (S)

The President: We'll work on this. I want to help on debt restructuring. You've mentioned this, and we may be able to do some things with this. When Germany sees a new relationship and movement on counterproliferation, etc., they may come along. I told Zoellick to help with the WTO and he agrees, I hope. (S)

I do think we ought to follow up on having media entrepreneurs conduct sessions, pulling in entrepreneurs in Russia. Russia is more than natural resources. Getting managers together to foster an entrepreneurial spirit is an interesting opportunity. (S)

There is more. I want the appropriate people to talk about a framework that will be clearer by Crawford. We will have an offensive number and you'll be comfortable. It would be good if we can move forward with an agreement that outlasts you and me. We should start discussions and work toward an agreement to formalize something. We want our relationship to be unique. We have an opportunity to refashion an old relationship to address new threats. You see, as clearly as anyone, the true and enduring threats that we both face. We're going to be facing them for a long time. A new framework would be a huge step. We've got to cut a deal. (S)

(President Putin: I will go through the topics. On offensive arms, you wrote in your letter about this, and I know this will happen. (S)

The President: You will have the number. (S)

President Putin: On the ABM Treaty, I will be very frank. I have said that we do not expect a breakthrough. This will come later. With Clinton, we would not agree to change a single comma of the ABM Treaty. But now we have agreed to develop a new dialogue with you. Some changes are possible. We are thinking of how to build relations with the west; we want to be part of modern civilization. There is no other choice, though we need to be aware of the East, the most important thing is what the consequences will be of the changes taking place inside my country. We must take into account the realities, and radical changes. (S)

(On Germany, I am the President of Russia, not of Germany, nor of France. Our position today is radically different from what it was during the Clinton administration. We are ready to discuss the parameters of our relationship. I must make clear: we are not ready to withdraw in principle. But we are ready to replace the treaty by some other treaty. A Bush-Putin Treaty. We should start now preparing a new treaty. But today, your military needs a document to be able to do their work. Rumsfeld told me that he didn't know what the military wanted. I know this. I told him, "Ask me, I'll tell you what they want!" But we can envision what will be needed over the next two, three, five years. If you don't believe that this can be done within the treaty, we can create something else. (S)

We are ready to talk parameters. Our experts are roughly the same. And if you need two, three, to five years to do testing, go ahead. For this, the existing treaty is sufficient. If not, we can give it some new parameters. We are ready to talk about a new treaty and parameters. Meanwhile, use the current treaty and keep testing four to five years. (S)

(You could make another choice. If you prefer to withdraw, we will not pose problems. We will not blow anti-American hysteria. We will not pose problems for you. I have said this, we think it is agreeable to you. We will act calmly and not tie your hands. (S)

The President: I appreciate that. In the meantime, we should make a declaration that we will work for another agreement. (S)

President Putin: I agree. We have discussed this, and there is a promising way to resolve these issues. We see the way forward. (S)

The President: We need advisors, but nothing will get done unless you and I power through. There are people in my country that will not be pleased. I understand, every leader does. (S)

President Putin: I am being very frank. Our goal is to move to a lower, smaller figure. For us to say we are withdrawing from the treaty is a very big problem. (S)

The President: You will have no security problem with us withdrawing. I understand your problem. (S)

President Putin: We can say we talked and have an understanding to move forward. On terrorism and Chechnya, you were talking about moderates. You say there is Maskhadov. There are only 200-300 people around him, and when the State Department said that he should get rid of the Arab terrorists, he listened, but he has no one to rely on. He had his wife move to Syria with his people! (S)

The President: I thought your statement was very positive. People say you'll try to crush minorities. This was very wise how you positioned yourself. (C)

President Putin: I am not an expert, but after the State Department spoke to their Foreign Minister, Akhmadov, they said, "We are asked to get rid of the Arab terrorists." He said, "How am I to do this? I will be left with no one. Maskhadov has no place to go." This is not possible. (S)

The President: Do you think every Chechen is a terrorist? (S)

President Putin: No, but the fighters all are. They are bin Laden's students. Bin Laden trained them. You would know if you could see the pictures. They even look like him. This was the reaction a week after my invitation to talk. On September 28 or 29, we received information that he calls himself "Supreme Commander" and gave an order to "smash the enemy on his territory," and to commit terrorist acts against civilians on Russian territory, to attack industrial complexes, the military, railways. Second, they planned to intensify

actions of small mobile groups to execute Shariya law against those who oppose them. I want a dialogue, but with whom? ~~(S)~~

Now I will tell you what these people who work with al-Qaida, and bin Laden, say: "I'm tired of killing Ivans. I killed so many of them and they are still stupid. Now I have to go to Afghanistan. Now I have to kill 'fat Americans.' We will work in Afghanistan and then return to Chechnya." ~~(S)~~

The President: Good. They are in Afghanistan, and I'll beat them. ~~(S)~~

President Putin: I know the history of Chechnya. But you must understand: when the State Department meets these people it provokes a reaction. Chechnya is a 400-year-old problem. The Chechen people always had an aspiration for independence. We should respect this. The events of 1995 showed it. Today it is impossible. Russia withdrew completely in 1995, and gave it complete independence (but not formally). What were the consequences? It led to radical Islam. ~~(S)~~

The President: They became a sort of host. It is very difficult. How do you deal with it? ~~(S)~~

President Putin: The Soviet Union made big mistakes in Afghanistan. They didn't understand and tried to put a pro-Soviet, non-representative government in place, based upon minorities. The Pashtuns were excluded. They became indignant. Radical Islamic fundamentalists assimilated into the territory of Afghanistan and called it traditional Islam. We must oust the Taliban and bring in the Pashtuns. We must do the same thing in Chechnya. We have good relations with traditional Islam. Our military does sometimes commit crimes. We are taking steps. Do not interfere with this process. ~~(S)~~

Now, about Georgia. I know Shevardnadze. He is a wily person. He knows these people; he was in the party leadership. When he let Chechens into Georgia, he was afraid. At the outset he told us to close the border, and said he would close it, but he changed his mind and they established (1,500) camps there. You said, "Rid your territory of terrorists." He cannot deal with the problem. He cannot, he is too weak. His military has not been paid in eight months. He took 500-700 guerillas and put them on trucks and drove them through Georgia to the opposite part of the country. He tried to recapture Abkhazia. Now they are located at another part of the border with Russia. They are deployed in a place where the border is not protected. ~~(S)~~

Putin shows maps of the Georgia/Abkhazia region. (U)

Shevardnadze took them to a part of the border where we have peacekeepers. This part of the border is not protected. They are near Sochi and just 1.5 kilometers from the border. If Shevardnadze wants to fight terrorism, how would you react? (S)

On the media, let your experts come. With respect to TV-6, the owner is Berezovskiy, who is in hiding. This is not all. I want to share what I saw on their station. They were hosting Al Jazeera. They are working as they want. Now there is an administrative dispute with Lukoil. We do not want to interfere. Lukoil wants to buy their whole station. Yesterday, I saw an hour long interview with Al Jazeera in Moscow. It said the difference between bin Laden and Bush is none, one has a beard, the other does not. (S)

The President: I'd be angry! (S)

President Putin: They (TV-6) do and say what they want. The problem is getting a competitive media. (S)

The President: Get these guys to see if there is fresh capital and you can get some competition. (S)

-- End of Conversation --